

Tax Advantages and Disadvantages of Setting Up a Branch or Daughter Company (Subsidiary) in Finland

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<p>Due to recent developments in the global tax sphere countries, especially in Europe have been focusing more on how companies are using tax planning to their own advantage. This has raised a large amount of suspicion and has made it harder for companies to avoid taxes or find other alternatives to lower taxes when doing business. In light of this development, this thesis topic was chosen to focus on how companies will be taxed in Finland when they enter as a branch or daughter company and what kind of tax consequences they will face.</p> <p>The object of this thesis is to find out what kind of tax advantages and disadvantages will be faced when entering Finland to do business. As tax is a broad concept, this thesis will only focus on taxes that affect businesses in Finland. There is also a wide range of business taxes, which is why this thesis focuses on the most common and burdensome taxes that most companies that are doing business in Finland will come across. These include taxes on employment, corporate income, royalties, and dividends. A comparison of these taxes in Finland versus how they are levied in Utah, the headquarter state of the commissioning company is also provided.</p> <p>To properly explain each part of this thesis, the theory has been broken down into Finnish tax legislation covering the topics mentioned above, international tax legislation on the stated business taxes, tax planning, and permanent establishment status. To research this topic a combination of desktop research and interviews was used. The desktop research was mainly on tax acts, treaties, and laws pertaining to the subject at hand. The interviews were used to obtain comments on the tax situation in Finland and how the interviewees see Finland in terms of taxes levied on companies.</p> <p>The timespan of this thesis was approximately half a year. The first part of the process was mainly researching relevant theories. During the rest of the process a mixture of researching and writing was done. Finally interviews were performed to give the thesis a different perspective.</p> <p>The results found were that when entering Finland as a business there are not very many ways to lower taxes, if any. Whether entering as a branch or daughter company, there will be high taxes imposed on the company. The implications of these high taxes are that the taxes will discourage companies from potentially entering the Finnish market. Instead they will choose countries where they can operate while being taxed less. This has lead to the recommendation of properly researching the Finnish market before expanding to analyze whether there will be enough demand to cover the high cost of doing business in Finland.</p>	
Keywords Finnish taxation, International taxation, Permanent Establishment, Branch, Daughter Company, Tax planning	

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1 Introduction

The purpose of this chapter is to introduce the thesis topic of tax advantages and disadvantages of setting up a branch or daughter company in Finland and to get a detailed description of what will be included and what will not be included in the report. A background of the topic, research questions, demarcation, international aspects of the topic, benefits, risks, and the commissioning company's description will be discussed.

1.1 Background

In recent news in the Netherlands and other European countries it has been reported that large multinational companies have been able to set up deals so that they can avoid paying high taxes in the countries they are making profit in. The companies involved include high profile corporations like Starbucks and Fiat Chrysler Automobiles, who have the resources to find these tax avoidance loopholes, (Bowers 2014.) As the regulations get tighter, other multinational companies such as Apple have been ordered to pay back taxes of 13€ billion in Ireland, (Trentmann 2016.) This has forced companies to re-evaluate the way they currently work with taxes and the different strategies they use to reduce them.

While this thesis will not be about loopholes provided for companies, it will be an informative document for a company to see if Finland can be an attractive place for business. Therefore this news ties into my thesis topic, which has to do with setting up branches of a foreign company in Finland that don't actually sell products or services there, but are just cost centers. The profit would not be taxed in Finland because the operations there would not be adding to profit, yet would be increasing expenses. These kinds of alternatives can be used to take advantage of the highly educated workforce in the country, but not have to pay the high taxes that are levied in that country. While this would be an ideal situation, we also have to take into account that not every strategy works with every company so then we must explore other options that make entry to Finland feasible. This is why this thesis will also include a company's entry into the country through a daughter company.

Doing a thesis on this topic would help the commissioning company when potentially setting up a daughter company or a branch in Finland and what its tax advantages and disadvantages would be. This would be very relevant to them because the head company is based in the U.S. where the overall taxes are lower, but Finland has intellectual knowledge that would benefit the company. Thus if a branch without permanent establishment were to be set up in Finland it could be just used as a cost center, which does not generate profit, which would make corporate tax 0%.

In addition to global news about tax planning and evasion, living in Finland has shown others and me that there is potential to enter the country and be successful here. This thesis will shed light onto this statement and give a clearer view of what the tax situation currently is for companies in Finland.

As for how this thesis relates to me, at some point I might start a business therefore taxes would be a very critical area to know about. Also, I might go into either audit or tax at an accounting firm, and I think these two areas would be the most beneficial for me to research right now. Overall these topics are very relevant in the business world at the moment and will most likely have an impact on how my career will turn out in the globalized business world.

1.2 Research Problem and Question

The Research Problem I will be writing about is taxation in Finland and how American companies can use tax planning to their benefit. Recently, Finland has become a hub of innovation and creativity. Most foreign companies are not aware of Finland's highly educated workforce, and as Finland is known for high taxes, they do not consider Finland as a destination for outsourcing foreign company's work force and as a potential sales market.

The Research Question I will be writing about is "What are the Tax Advantages and Disadvantages of setting up a branch or daughter company in Finland?". This answer could be beneficial not only to my commissioning company, but also for other companies that fear entering Finland because of high taxes.

I will use the Investigative Questions to guide my research process. The first question is, "How are companies taxed in Finland?" This basic information will set up a basis for the rest of the thesis. Next question is, "How can companies tap into the Finnish intellectual market without getting taxed more than in their country of origin?" Lastly, "How does tax planning allow companies to function effectively in the Finnish and American markets?" The table below provides a simplified view of how the thesis is divided into categories and approached.

Table 1. Research Framework

Investigative Questions (IQs)	Theoretical Framework ¹	Measurement Questions ²	Results ³
1 How are companies taxed in Finland?	Finnish tax legislation.	Which laws affect foreign companies?	Complete understanding of how companies are taxed in Finland and what that means for foreign companies entering Finland
2 How can companies tap into the Finnish intellectual market without getting taxed more than in their country of origin?	Finnish tax legislation and Finnish company registration.	Which laws and regulations allow foreign companies to use Finnish expertise without being taxed like a Finnish company?	A detailed description of how foreign companies can enter Finland and use its best resources.
3 How does tax planning allow companies to function effectively in the Finnish and American markets?	Tax planning methods and Finnish tax legislation.	What can companies do to protect themselves and customers from excessive taxes?	A way for companies to understand their options when entering Finland's market when it comes to taxes and planning for them.

1.3 Demarcation

In researching this thesis topic, I closely studied tax law in Finland and some comparable US laws. The laws I studied were only on companies who want to set up a branch or Daughter company in Finland and how they will be taxed accordingly. These companies were specifically foreign companies, namely from the US, as doing this thesis for companies coming from all countries would have been too much for one thesis.

The taxes included are, employer-employee taxes, income taxes for certain non-incorporated entities, corporation taxes on profit/ loss, and dividends. I also briefly touched upon intellectual property royalties due to the nature of the commissioning company.

1.4 International Aspect

This thesis topic has an international aspect because it relates to how foreign companies for example; a US- based company in this case, can tap into Finland's labor resources without getting taxed like a Finnish company or how a foreign company can enter Finland as a taxable entity and how it would be taxed. Especially since the current commissioning company is quite easily expandable, it will be looking into entering new markets either as a branch or through a daughter company.

1.5 Benefits

For the commissioning company this thesis provides a detailed analysis on taxes in Finland, which is a country it may want to enter in the future. For their customers an non-permanent establishment status would show in pricing and service innovation because the company would be able to get access to a highly educated and creative workforce without some of the high taxes of Finland. If the company were to enter through a daughter company, then a new service would be provided to Finnish customers, a service that has previously not worked before or has been very slow to generate any business.

For me, this thesis has opened up Finnish legislation and has allowed me to study in depth how Finland's taxes are levied on companies. As I might want to start my own business in the future in this country, this research will be very beneficial to knowing what taxes will be taken from taxable income and so on. On an international level, studying the international tax atmosphere will be key in staying informed in a subject that interests me greatly. Not only is this my own interest, but as mentioned previously, it is also an increasingly popular topic of discussion amongst governments, companies, and some of the general population.

1.6 Key Concepts

Cost center: Part of a company that does not directly add to profit, but shows as a cost for tax purposes, (Investopedia 2016.)

Permanent Establishment: According to the Finnish tax authority, a permanent establishment is a place where a business conducts its operations, (Finnish Tax Administration 2016.)

Branch: Stated by the Finnish tax authority, “A branch means any part of a foreign corporate entity, foundation or trust that carries on a continuous business in Finland, from a permanent or fixed establishment, in the name and for the benefit of the foreigner,” (Finnish Tax Administration 2014.)

Finnish taxation: Finnish taxation is a large part of this thesis because it shows how foreign companies will be taxed if they enter Finland.

International taxation: This is important because companies often choose to set up daughter companies or branches in tax havens to avoid being taxed higher in high tax countries.

Tax Planning: Although tax planning gets a bad reputation, it is essential for companies to think proactively about this subject. Planning just means that the company is thinking ahead about how their taxable income can be taxed and how that will affect profit, (Investopedia 2016.) While it seems that this is only to benefit the company, tax planning also helps stockholders and customers of the company.

Cost minimization: This is a basic principal that all companies should know about and follow. The lower the cost the better the profit. One of those costs includes taxes thus cost minimization ties into tax planning and which country is taxing the revenue.

1.7 Case Company

Company X was established in 2015, with headquarters in Utah, US. It is currently only operating in the US and is considering the possibility of entering Finland and other Northern European countries. The company’s service is to offer a portal for people who want to send their items at a lower cost to connect with couriers that would be willing to transport the items. This portal, which is now available as a fully functioning website and app, has the opportunity to potentially license the intellectual property (IP) to other countries for a high price to then be able to offset income made in that country.

As a start-up, the company has a small staff of 6 people so far, but is looking to expand in the near future. Again, since it is a start-up, it has limited funds when it comes to exploring their options outside of the US and opening branches or daughter companies in other countries. Thus, the company needs this research to analyze whether entering Finland would be feasible or should it just be set up as a non-permanent establishment branch of the company. This cost center would not generate profit, but would give the company access to the well-educated Finnish workforce to expand in the future. Therefore, for the

company the question would be, will it enter Finland as a branch of the US company or should it fully develop a subsidiary to do business? In addition to this decision, the company would need to choose a company form to establish the business, ranging from partnership to corporation. The result would then depend on the analysis of which option, at this point or in the near future, would be the most feasible and tax conscious decision.

1.8 Risk

As this is a large topic, I could have easily gotten distracted into areas that were not specifically related to my thesis topic. When researching and writing, I needed to make sure I was always focusing back to my key points. In addition to being a large topic, there were some areas in the topic that did not have a lot of information readily available. For example, there were some publications that I could not find because they are only written in a difficult level of Finnish or another language I do not understand. I had to search for different ways of finding the information, for example through interviews since I could not find enough through my desktop search. Overall I needed to be prepared to shift directions if I could not find what I needed while researching this topic and has to be able to adapt to what I came across.

2 Theoretical Framework for demarcated Tax subjects

2.1 Finnish Taxes on demarcated tax subjects

This chapter will be about Finnish tax legislation and what companies have to follow in order to do business in Finland. The legislation will include employer/employee taxes, corporate taxes on income, dividends, and legislation on intellectual property royalties. The information here will help determine what steps the company should take to legally be present in Finland and what potential expenses will be incurred. In addition, the international tax situation and tax planning will be discussed.

2.1.1 Finnish Tax Legislation on the Employer-Employee Relationship

For a foreign company entering a new market taxes are one of the main factors in whether the company will stay in the new country or not even enter at all. Finland, notoriously known for high taxes, is one of the countries that many expanding businesses fear entering and for a good reason. With high employee costs for employers, individual income costs, Value added tax (VAT) costs, and on top of those still some corporate tax on taxable income, Finland bears a high cost of doing business. Here I will break down what the employer needs to provide tax-wise.

For income tax, Finland is in the top 20 highest taxed populations. On the other hand, corporate tax is quite average at 20%, which is covered in Chapter 6 Section 124 of the Tuloverolaki (1564/2015.), which contains the law for income taxation. Finland's VAT (ALV) is 24% as defined in Chapter 8 Section 84 of the Arvonlisäverolaki (706/2012.) (in English, Value Added Tax Act), and again, it is one of the highest rates in Europe.

To start explaining taxes in Finland we can have a look at taxes incurred from the Employer- Employee relationship. Employers have to withhold tax on employees and forward it to the tax office as stated by Finland's tax authority "Verohallinto". These taxes include social security contribution, pension insurance, unemployment insurance, and in some cases accident and life insurance, (Finnish Tax Administration 2016.) The social security contribution tax is applied if the employee is covered by the Finnish social insurance system and is applied to people between the ages of 16 and 67 years old, (based on information in the Act governing health insurance).

To calculate the amount of social security contribution to withhold, we find the percentage given on the employee's tax card, which is provided by the Finnish tax authority yearly. Without this card the employer is required to withhold 60% of the sum of the wages. In

the case that an employee is exempt from social security contribution, the employer will still have to pay the tax on behalf of the employee to the tax office. The percentage of these taxes will also then be applied to the vacation the employee accrues, (Finnish Tax Administration 2016). For example, if the employee makes 60,000 euros a year, taxes will be taken from that amount and from the 30 days minimum paid vacation days he is allowed to take, that would be around 2,500 euros extra a year (this is approximately half of a monthly salary) plus the taxes applied to the vacation pay. These vacation days are counted in the following way: every month of work the employee accrues 2.5 days of vacation. In addition to these required taxes, many employees expect additional benefits, for example, gym privileges and lunch discounts. These extra benefits may come from their wages, but many are an extra burden to the employer who already pays a lot to employ these people.

In Finland, on the 12th of the next month of the wages paid, the employer must submit the tax returns with the withheld amount from the employees to the tax office, (Ex. Wages paid on August 31st must be sent to the tax office by September 12th), in most cases a monthly return is necessary, but in some cases returns are allowed to be made quarterly, (Finnish Tax Administration 2016.) Although this amount being sent to the tax office is not directly costing the employer, as the employer just holds the taxes until it is time to pay, there is a large administrative burden on the employer to collect, report, and keep up with these payments. Often smaller companies do not have the resources to outsource this process that can be considered confusing and lengthy, if the company does not know how to proceed properly. Even larger firms will recognize the burden of having to do all of these administrative processes, as they will probably have to pay large sums to outsource this to a competent company. Failure to pay on time will result in extra penalties levied on the company between €5,00 and 20% of the tax payment, (Activpayroll 2015.)

Next I will explain how much employers must pay in social contribution, below is table 2 with an example on how the US and Finland differ in the amount of taxes employers pay and what the overall cost of an employee is to the employer. The calculations will be based on an employee who makes 60,000 gross pay a year, this will not include any fringe or in-kind benefits.

Table 2. Example of the cost of an Employee to the Employer

Cost of an Employee in the US \$60,000 gross salary **		Cost of an Employee in Finland 60,000€ gross salary **	
Social Security 6.2%	\$3,720	Pension premium TyEL on regular pay + vacation 18%* paid by the employer	11,250€
Medicare tax- employer portion 0.9%	\$540	Social Security on regular pay + vacation 2.12%	1,325€
		Accident Insurance on regular pay + vacation Around 2%	1,250€
		Unemployment on regular pay + vacation 1%	625€
Total cost including salary	\$64,260	Total cost including salary	76,950€
Total Tax Amount Paid by employer	7.1%	Total Social Contribution Amount Paid by employer	23.12%

Source: Internal Revenue Service, Tuloverolaki 1564/2015, Ilmarinen, Finnish Tax Administration

*Finland's social security percentage changes yearly. The percentage used is for 2016.

** For simplicity, the same salary is applied to both countries, disregarding foreign currency exchange rates. In reality there is a great variation of salaries within the US market, and potentially the company could find the same talent at a lower salary in the US, especially if the current exchange rates are favorable.

As an employer, every cost counts, seen in table 2, employers in Finland pay slightly under 16 % more in social contribution. Almost a third on top of the Finnish salary is added to the gross amount because of vacations and the taxes applied to the vacation amount.

This could potentially be a deterrent to hiring in Finland, seeing that it's much cheaper to have employees in the US.

Overall, the employer-employee tax situation is an expensive and tricky process to navigate in Finland. It takes a lot of time, money, and information resources to do it effectively and properly. While the salaries may not be very high in Finland, each employee is taking up many company resources to keep him/her legally employed.

2.1.2 Finnish Tax Legislation on Income Tax for Different Company Forms

Next I explain how companies are taxed in Finland. Based on the form of the company, different rules will be applied at the time of taxation. Below is table 3, which explains how different forms of companies get taxed, whether it is a flat rate of 20% or a breakdown of capital income and earned income, (Tuloverolaki 1564/2015.) I put the information together into this table to simplify the information from Tuloverolaki 2015/1564.

Table 3. Company forms and the income tax applied to revenue

Company Form	Tax Rate Applied
Limited Liability Company (Osakeyhtiö Oy)	Corporate Income Tax rate of 20%
Cooperative Society (Osuuskunta Osk)	Corporate Income Tax rate of 20%
Public Limited Liability Company (Julkinen Osakeyhtiö Oyj)	Corporate Income Tax rate of 20%
Association/ Foundation Ry (promoting the public good)	Only receipts of business income and income from real property taxable at 20%
Association/ Foundation Ry (not promoting the public good)	Corporate Income Tax rate of 20%
Self-employed (Ammattinharjoittaja)	Taxable income divided into capital income (30%, over 30,000 is 34%) and rest as earned income (progressive scale rate)
General Partnership (Avoin Yhtiö)	Taxable income divided into capital income (30%, over 30,000 is 34%) and rest as earned income (progressive scale rate)
Limited Partnership (Kommandiittiyhtiö)	Taxable income divided into capital income (30%, over 30,000 is 34%) and rest as earned income (progressive scale rate)

Source: (Tuloverolaki 2015/1564.)

A breakdown of how much each company form pays in income taxes has now been explained. While corporate tax is not considerably high compared to other countries in Europe, the addition of employer taxes makes Finland a country with above average taxes. In Company X's case it would have to consider which company form would it enter Finland with, as it would have different tax consequences depending on the form. If it were to enter as a partnership, the partners would get taxed much higher, 30% up to 30,000 euros and then 34% on anything over 30,000 euros, according to Chapter 6 Section 124 of the Tuloverolaki (1564/2015.) This amount would be much more than if the company would set up a Limited Liability Company (Oy) that gets taxed at 20%, (Tuloverolaki 1564/2015.) While it is out of scope for this thesis, I will mention that when choosing a company form that gets taxed at 20 %, there would be additional taxes when trying to take any profit out of the company.

2.1.3 Finnish tax Legislation on VAT

In addition to the Corporate Tax, companies would also have to consider VAT consequences. While as a branch that does not sell goods, it would not have to collect VAT on any items sold and pass them on to the Tax authority. Even as a branch though, it would have to pay VAT on items being purchased. At 24% VAT Finland has a high rate compared to the sales tax that is added in the US, (Arvonlisäverolaki 706/2012.) In the US, they have statewide sales taxes and local sales taxes. Not every state has both and some states do not have either tax. In the company's headquarters, Utah the overall tax on goods is only 6.68%, which is considered quite average in the US, (Drenkard & Walczak 2015.) In addition, some states do not charge sales tax on labor and services, for example in California.

2.1.4 Finnish Tax Legislation on Royalties on Intellectual Property

Below is table 4, which explains how different company forms are taxed on royalties and how much will be withheld when leaving Finland.

Table 4. Company form and tax applied to royalties

Form of Company	Amount of tax
Non-resident companies of Finland	0% withholding tax when paying to nonresident companies in the US
Permanent Establishments	Tax will be included in net income for the PE as a whole
PE to PE (Domestic)- Finland	No tax will be withheld in this form of royalty payments
Associated company- 25% or more owned by the foreign company	No withholding tax if the company is an associated company of the payer

Source: Deloitte Finland, Finnish Tax Administration

As the table shows, for non-resident receivers, the withholding tax would be 0%. This would allow the company in Finland to send the royalty payment to the US without the US company being taxed by Finland.

2.1.5 Dividend Tax treatment in Finland

Below is table 5, it explains how dividends are treated when being paid in Finland.

Table 5. Dividend payments in Finland

	Publicly listed company (Oyj)= Payer	Unlisted company= Payer
Publicly listed company (Oyj)	Tax exempt	Tax exempt
Unlisted company (Oy)	Taxable Income or exempt if owned more than 10%	Tax exempt
Partnerships	Taxable income for each partner and either 15% or 25% tax exempt	
Entrepreneurs	85% Taxable income and 15% tax exempt	75% Taxable income and 25% tax exempt

Source: Arkima 2015.

As seen in the table many company forms are exempt from paying any tax on dividends. This is beneficial to the companies as they then get to retain more money.

2.2 Tax treaties and international relations between the US and Finland

Now that we are living in a global environment, it is exceedingly important to be aware of our surroundings, whether it is a neighboring country, one within the same economic region (like the EU), or one on the other side of the world. Currently, “a third of Finland’s economy is dependent on international trade”, (Export.Gov 2016.) A third of Finnish Exports are sent to the US while the US represents Finland’s sixth largest import partner. This data proves how important the relationship Finland has with the US is. It also shows a lot of dependence and willingness to continue and increase trade and cooperation with each other. (Export.Gov 2016.)

International taxes bring together countries and companies to find a way that pleases and benefits both parties when doing business. To push towards a more uniform tax implementation, the Organisation for Economic Co-operation and Development (OECD) has set forth the “Model Tax Convention on Income and on Capital” now on its ninth edition. This document is continually updated to reflect changes in the global tax climate. One of the main purposes of this document is to explain the theory of double taxation. This concept states that the same revenue should not be taxed twice due to companies being present in two or more different countries, (OECD 2015.) While this concept is good for companies to get assurance that they will not be taxed again, it also gives them loopholes to pay very little tax or to not pay any tax at all; this will be further explained in the tax planning section.

The document also has guidelines on permanent establishment, capital gain, royalties, and income from employment. Now that we have reviewed Finnish legislation on most of these topics (Finnish permanent establishment legislation will be explained in the section 2.4), we will look at how they are taxed according to the international view of the OECD. A permanent establishment in the OECD’s perspective is referenced in Article 5 of the “Model Tax Convention on Income and on Capital” report. It lays out what is considered a PE and what is not. It states that the term is applied to places of management, branches, offices, factories, workshops, places of extraction of natural resources, (OECD 2015.) While this would then make Company X in Finland a permanent establishment, according to this, “the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character,” would not be considered a permanent establishment, (OECD 2015.) As mentioned before, Company X

currently is interested in using the intellectual property and the skilled labor force in Finland to advance the company, but not necessarily to sell any products.

Moving on to Article 7, Business Profits. In this section, the OECD states that the profit is only taxable in the contracting state unless they are present in another contracting state as a permanent establishment. The taxable profit would then be taxed the amount deemed to be coming from each country respectively. In subsection two of this article, it states that the amount taxed would be announced after “taking into account the function performed, assets used, and risk assumed by the enterprise through the permanent establishment,” found in Article 7 Section 2 Model Tax Convention on Income and on Capital 2014.

The next section relevant to this thesis would be Royalties in Article 12. In this case royalties would be used by the Daughter Company and paid to the parent in the US. As both Finland and the US are contracting parties of the OECD, the money received from royalties would only be taxable in the US. Also Article 10 on Dividends; it states that dividends paid in the country they are earned in is where they will be taxed. The current rate is 5% of the dividends if the recipient owns at least a 25% stake in the company. For all others, 15% tax will be taken.

While Finland’s legislation over rules the OECD’s judgment in Finnish affairs, I have found that many of Finland’s acts follow or use the OECD as a guideline in their own acts. The main connection between the US and Finland tax-wise is the “Tax Convention with the Republic of Finland”, which spells out how the two countries will resolve questions on taxes, ranging from income tax to elimination of double taxation, (Tax Convention with the Republic of Finland 1991.)

2.3 Tax Planning for Companies in Finland

As of recently, the term tax planning has increasingly become an infamous way for companies to disguise tax evasion. While I do not agree with tax evasion, tax planning, for small companies and start-ups, can be very beneficial and even essential for success.

Cost minimization, which is a part of tax planning, is crucial in any company. In business classes we learn that resources are limited; thus the company needs to use what it has to produce the best outcome. This is where tax planning comes into effect. The framework for tax planning is simple, when you can find a way to avoid paying taxes then you should. This is not illegal; it is almost like a form of corporate protection. The government will always be looking to tax corporations more and more and the only way to counteract it is by

being proactive in planning for taxes. In recent years, groups such as the OECD have stepped up efforts to try and define what is considered tax evasion, for example commissionaire arrangements in avoidance of holding a permanent establishment in a certain country. Finland and the US have been a part of the OECD since the 1960s, but not until recently have they and other countries been as willing to be fully cooperative, (OECD 2016a.) This cooperation has led to many new initiatives that try to prevent tax evasion for example, Base erosion and profit shifting (BEPS), (OECD 2016b.) This has to do with our case, as the licenses from Company X US could potentially be leased to Company X Finland. Finland would have to pay royalties to the US thus potentially creating a loss in Finland. This loss could then determine the tax rate to be zero in Finland.

In a company that sells goods, services or, intangibles (patents, trademarks), the topic of transfer pricing would be relevant to discuss in tax planning. The definition of transfer price is the price charged when a company sells to another company with the same owners, (Business Dictionary 2016.) This can be used as a mechanism to transfer earnings from higher tax countries to lower tax countries. Due to this outlet, transfer pricing has become one of the focus points of the OECD and has been cracked down on in Finland since legislation on the topic came into effect in January of 2007, (PricewaterhouseCoopers 2015, 422.)

Thus due to the new and increased transparency pushes, every company will need to be exceedingly careful as to not be fined for tax evasion. While larger companies could probably ride out the damages, a small start-up would have difficulty regaining its position if it were to be entangled in litigation and government processes.

2.4 Permanent Establishment in Finland

This section will focus on permanent establishments in detail and what their advantages and disadvantages are to companies. Also the risk of setting up cost centers instead of profit centers will be discussed.

2.4.1 Permanent Establishments in detail

As mentioned in the key concepts, cost centers are part of a company that do not directly add to profit, but show as an expense for tax purposes. There are different kinds of cost centers, for example: accounting departments, HR departments, and IT departments. In Company X's case, the IT department would be considered their cost center currently. To determine if the company's activities in Finland were to be taxed or not we would need to establish whether it is a permanently established in Finland. The tax office states that if

the local office does not take part in the selling of goods or services, then it is not a permanent establishment, (Finnish Tax Administration 2015.) Thus if Company X were to set up a branch in Finland, it would not be considered a permanent establishment according to the tax office. This means that that it would not have to pay any corporate tax in Finland, but would be considered an expense to the US parent company.

2.4.2 Advantages

Established in the last paragraph, Company X would currently not have to pay corporate tax in Finland. The fact that the company would not be taxed in Finland would then transfer the costs to the company in the US, which would make the expenses higher in the US, leading to lower taxes levied there. While cost centers would help with lowering taxes, the company would be able to tap into Finnish resources without as high of a cost. Yes, it would still be paying the employee fees, but it would not pay corporate tax in addition. This gives companies an incentive to set up in Finland and use the educated work force. Another benefit to setting up would be an introduction to a new market without all the costs that usually come with entering a market. As the company would already be familiar with the country, if it were to expand later on to a fully functioning- profit turning company in Finland, it would already have a heads up in terms of knowledge of the market and customers.

2.4.3 Disadvantages

While there are many advantages to cost centers, there are still some taxes we cannot avoid. These taxes include high employee fees and high VAT rates. In addition to unavoidable taxes, it must be specifically defined that the branch is not making a profit. There should not be any questionable activities that would cause the tax office to be suspicious of the company. If this were to occur then there would be a high risk that the company would need to pay taxes and also be fined due to the fact that it was not honest about its true business activities in Finland. This will be further explained in the next section.

2.4.4 Risks

While the regulations on permanent establishments can be easily found, interpreting them correctly can be difficult for companies. Due to this, there is an inherent risk to setting up cost centers in Finland that will be shown as not having a permanent establishment. The first risk was previously mentioned in the disadvantages section; the way one person interprets the text on PEs could be different from how the government interprets it. Thus, companies need to make sure they have proper knowledge on what the Finnish govern-

ment considers a permanent establishment for VAT and for income tax. The risk is that while Company X might consider the activities done in Finland as supporting activities, not profit making activities, the government could disagree. If they then decided to start taxing the company as a profit center/ PE, there would be an extra expense that had not been originally budgeted for. Not only would the company have to pay corporate taxes, but also a potentially large interest fee on the back taxes owed.

As there has been a lot of news on the topic of tax evasion, this is an increasingly important topic to stay current on. Mentioned previously, the OECD in past years has drawn more and more attention to this topic and has made governments more aware of potential loopholes in taxes. These governments include Finland, which has stepped up its efforts to combat potential misuse of the taxation system by companies.

3 Findings on Non-Permanent Establishments, Branches, and Corporations in Finland

3.1 Research Methods

My approach has been more qualitative in nature. I have researched how and why would companies behave a certain way when doing business in Finland. Through qualitative research I received more detailed information than just by looking at statistics.

My data collection tool has mostly consisted of desktop research. A lot of what went into my thesis has been researching Finnish and international tax rules, acts, and treaties, different company forms, and what goes into planning a business in Finland. The most informative way of finding this information for me was through a desktop search as the statutes and paper forms of the rules are online. In addition to this I have interviewed four people to get different perspectives and opinions on the tax situation in Finland for companies. Below, Figure 1 shows how I have carried out my research visualized in a chart.

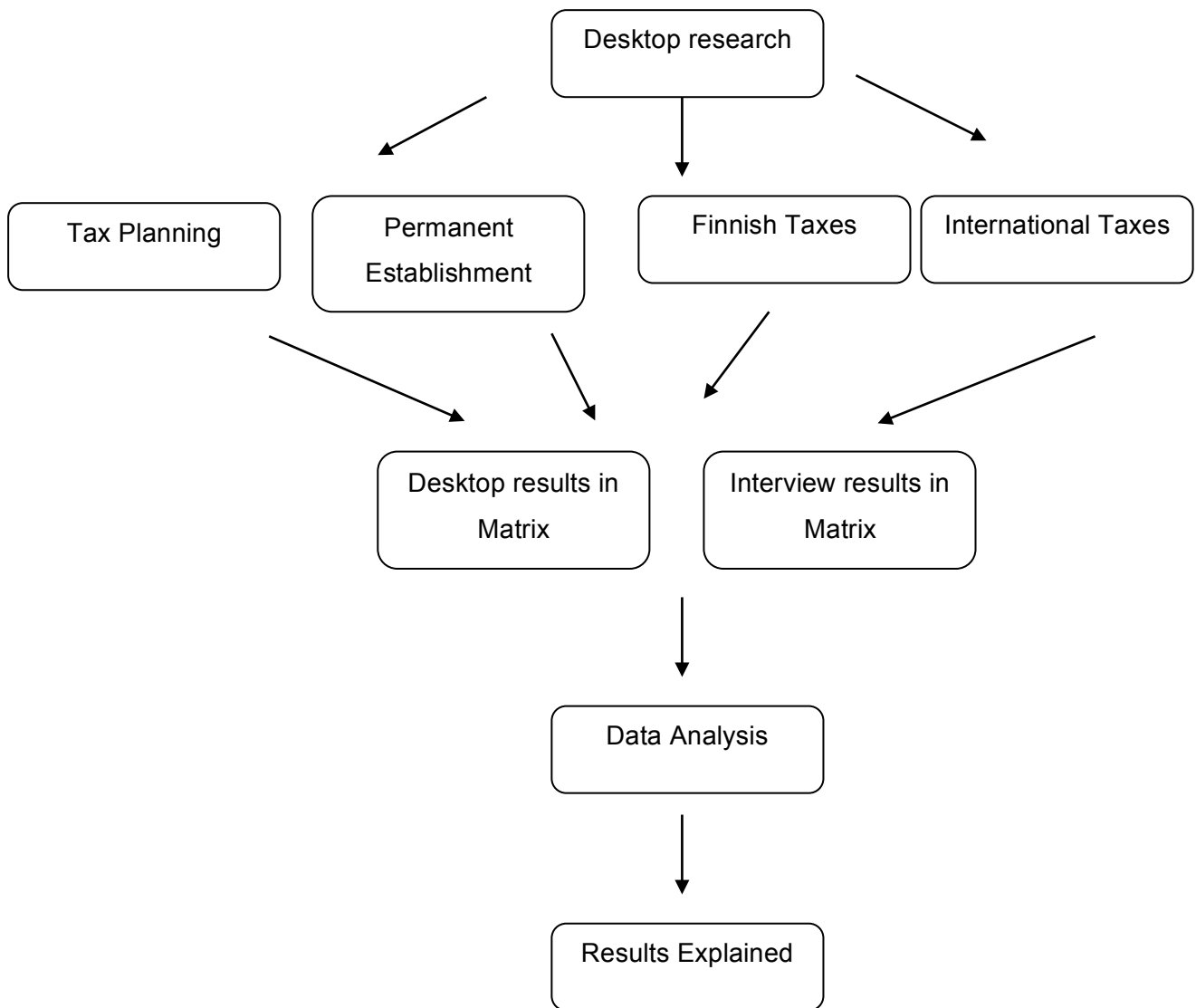


Figure 1. Research Methods Outline

3.2 Comparison of Finland versus the US

Not only is it important to understand how taxes work in Finland, we also need to know how they differentiate from the US. The differences will allow the company to make the decision on whether it is more beneficial to stay only in the US or to potentially expand into Finland. In this section I will explain the differences in employer taxes, corporate tax, VAT vs. Sales tax, royalties and ending with dividends.

3.2.1 Employer-Employee Relationship

A previous example in chapter 3 showed the difference in tax paid by employers in the US and Finland. As shown in table 2, the taxes were about 16% more in Finland than in the US. In the US, the employer also needs to withhold taxes. As the US is a large country

with many states, I will focus on the state that the case company is headquartered in, the state of Utah. The taxes withheld by employers for the national tax portion include: federal income tax, social security tax, and Medicare tax. For the Utah state portion the taxes include the state income tax. While these taxes do not have any bearing on the employer, as with the Finnish employer, withholding and paying these taxes can be a large administrative burden on the company. As I have done research on this topic I have found it difficult to find any concrete information of how much to withhold, I would be inclined to say that start-ups might have the same experience as me. While large companies have the resources to outsource this process, smaller companies might have a difficult time finding the correct amounts, this could result in incorrect or late payments resulting in extra fees as punishment. In comparison, I found Finland's tax system to be much easier to navigate and find relevant information quite easily, so in this case I would rather deal with Finnish tax system.

While the administrative cost is relatively the same, in terms of tax payments the fees are much lower in the US. Thus, in tax cost sense the employer expenses would make it more cost effective to employ workers in the US. Even in the higher tax states like California and New York, it would still be cheaper than using employees in Finland.

3.2.2 Corporate Income Tax

Mentioned previously, corporate tax in Finland is 20%, in Utah it is 5% on taxable income for a C corporation, (Doing Business in Utah 2013, 57; Tuloverolaki 1564/2015.) In addition to state income tax, the corporation will also need to pay federal income tax. Table 6, will explain how federal tax is taken from corporations.

Table 6. Federal Income Tax on C Corporations

Income does not go over \$15,000	15% tax will be taken from taxable income
Income in between \$50,000 and under \$75,000	25% tax will be taken from taxable income
Income in between \$75,000 and under \$10mil	34% tax will be taken from taxable income *Taxable income over \$100,000 will be increased by 5% of the excess over \$100,000 or \$11.750, which ever is less
Income over \$10mil	35% tax will be taken from taxable income *Taxable income over \$15mil will be increased by 3% of the excess over \$15mil or \$100,000, which ever is less

Source: Title 26 U.S. Code Section 11- Tax Imposed

The table above shows how companies, for income tax, are actually better off in Finland than in Utah. Together with state and federal income tax, the lowest possible tax rate would be 5% plus 15% making the tax rate total 20% which would be equal to Finland's rate. This lowest rate in the Utah would only apply to companies making less than \$15,000 in one year, which is not a very substantial amount.

3.2.3 VAT vs. Sales Tax

While VAT is not a significant amount in overall expenses of a company, it is still important to compare the effect on purchases and sales in both countries. Finnish VAT is constant at 24% unless there are exceptions such as food at 14% and transportation at 10%, on the other hand, different states in the US have different rates of sales tax, (Arvonlisäverolaki 1501/1993.) In each state, the state government decides if there will be statewide sales tax and, or a local sales tax. Some states have both while some only have one. In Utah, the statewide tax is 5.95% and local state tax is on average 0.73%. The combined rate is 6.68% that is 28th out of the 50 states, (Drenkard & Walczak 2015.)

3.2.4 Royalties

Due to the Tax treaty made between Finland and the US, the rates for royalty withholding are the same when sending between the two countries. Thus a rate of 0% would apply to a corporation sending royalty payments to the US from Finland, (PricewaterhouseCoopers 2016.) In this scenario it then would not make a difference in who would send the royalty payments and who would be receiving, as they would be have the same outcome.

3.2.5 Dividends

As with royalties, due to the Tax treaty between Finland and the US the same dividend rates apply for sending money between the two countries. Therefore dividends will have 15% withheld unless there is 10% or more ownership in the company then it will be 5% withheld, (Tax Convention with the Republic of Finland 1991.)

3.3 Setting up as a Branch without a Permanent Establishment

There are many reasons why Company X would want to set up as a branch. It would benefit from the educated workforce in Finland without potentially being susceptible to corporate tax. While there would be this benefit, the company would be limited when selling their service. This format of entering Finland would be an economical way to enter the country without the added expense of corporate tax. Thus it would get an introduction to the current market while keeping costs low.

3.3.1 Employer/employee relationship

As a branch without permanent establishment status, the company would still need to hire employees. Due to the laws of Finland even if the company were to not be a permanent establishment, it would still have to pay all the employer taxes in Finland. As mentioned before these taxes would include social security and accident insurance as well as the vacation pay and the taxes deducted from that amount. Overall even as a branch, there would be high employee fees.

The one way to potentially curb high employment fees would be to hire foreign employees. Through foreign employees that are considered nonresidents, the taxes will be paid to the country of the company's residence for employer taxes and to the residence country of the employee. It is to be noted that this is only acceptable if the company is not considered a PE in Finland. For residents that are employed by foreign companies, the foreign company must not have PE status and the employee cannot be present in Finland for more than 183 days in a 12-month period. In this situation, the company will not have to withhold from employees a percentage to pay to the Tax authority and the company will not have to pay any social security contribution, (Finnish Tax Administration 2015.) This arrangement would allow foreign employees to work in Finland without being taxed like a Finnish employee, which would give the company flexibility to hire more people and move them around to where the employees were needed instead of in a fixed position.

3.3.2 Corporate Taxes

When entering Finland, each business needs to send a Y form to the Tax Administration. There the tax authority will decide if the company will be seen as a permanent establishment or not. Based on this decision the company will have different action points to consider, (Finnish Tax Administration 2015). Without permanent establishment the company would not be paying any corporate tax. This would be due to the fact that the company would not be seen as producing any revenue in Finland. As mentioned before, this situation could prove risky because of the fine line between what is determined to be a permanent establish and what is not. To determine PE status as a foreign company, Company X would have to adhere to the tax treaties that roughly follow the OECD'S Model on tax and verify it with what the Finnish legislation says, (Finnish Tax Administration 2015). As stated previously, the OECD document spells out that the business is not a PE "if the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character," (OECD Model Tax Convention on Income and on Capital 2015).

A benefit to this situation is if the company were to continue down this track, it would only have expenses in Finland, and these expenses would show up on the US income statement. This could potentially lower taxes in the US, while not paying income tax in Finland. This would be beneficial to the company because it would give access to Finnish intellectual property and knowledge without having to pay the taxes a normal company would.

While there would be nothing to tax based on not having a permanent establishment, there would be a few situations where Finland would still be able to legally tax the company. For example, if the company were to buy a building and rent it out, then the rent would be susceptible to income tax. While this amount would be taxed, the company would still maintain a non-permanent establishment status, (Finnish Tax Administration 2015.)

3.3.3 VAT

While in this case, for income tax, the company would not be considered a PE, for VAT there are different rules as to what is considered a PE. According to the Finnish Tax Administration, for VAT purposes having PE status is determined by, "production plant, a set of rooms, or machinery and equipment that the company uses in its business," It can also be an office or another permanent location like a building, where the business conducts activities as stated by the law, Arvonlisäverolaki Chapter 2 Section 11 (1501/1993). This means that the company would have to pay VAT even without PE status.

3.4 Setting up as a Daughter Company or as branch with permanent establishment

On the other hand, if Company X wanted to start selling their services in Finland, the company would need to be officially registered. To enter the country without as much risk for the owners, the best way would be to register as a limited liability company (Oy). This would mean paying corporate tax. While the corporate tax is considerably low at 20% the company would need to take into account all other expenses, (Tuloverolaki 1564/ 2015.) These would add up quickly and might make Finland an undesirable market. Another way to be able to sell in Finland would be to set up as a branch, but not a separate entity. Thus the branch would still be directly under the US company's control, whereas with a limited liability company (Oy), the company would be treated as a Finnish company.

3.4.1 Employer/Employee relationship

As with a non-permanent establishment, a daughter company or permanent establishment would have to pay all of the employer taxes mentioned in chapter 3 section 3.1. As a PE in Finland the employer is obligated to withhold employee taxes and provide the government with their share on the 12th of the month. With the status of a PE in Finland it is nearly impossible to not pay taxes to Finland. While I agree that all companies producing revenue in Finland should pay taxes, Company X may not be as enthusiastic to take on the extra cost. A positive of PE status would be the ability to produce profit and if the market is lucrative enough then the high cost of employees may not be as much of an issue.

One way to potentially offset this cost would be to use employees in cheaper countries. This would mean running the business and its operations through online communication or through occasional visits to Finland. In this case the employees would be working towards improving operations in Finland, but technically not working there, thus not getting taxed there as Finnish employees would. In the online platform Company X provides this might be a valid solution to employment costs. Since the company already has a multinational team across three countries currently, it would be possible for them to continue their operations this way. For a business with on the ground operations this solution probably would not be as viable since an employee or multiple employees would need to be present in Finland at all times.

3.4.2 Corporate Taxes

In this case, the branch would be set up as a Permanent Establishment. This status would make them liable to pay corporate taxes. This would also apply to the limited liability company if the company were to set up as a subsidiary. As mentioned previously, the corpo-

rate tax rate is 20%, (Tuloverolaki 1564/2015.) This 20% would be taken from the eligible profit plus the added back amounts that are not eligible as deductions such as 50% of entertainment costs.

To be in compliance, the company would need to send the Tax Administration a 6B form "Tax return of business activities/ Corporation and form 62 "itemization of reserves, revaluations and depreciations". In addition to this the company would need to send an income statement/ profit and loss account and their balance sheet. As stated by the Tax Administration, these should be in accordance with the Finnish Accounting Act, (Finnish Tax Administration 2015).

3.4.3 VAT

For VAT purposes, a company has a permanent establishment if it has a fixed place where it does some or all of its business in Finland, (Tuloverolaki 1535/1992.) This fixed place should have employees and, or someone who is legally able to represent the company, (Finnish Tax Administration 2014). As the company, would be a daughter company or a branch it would be characterized as a fixed establishment, therefore it would need to be registered for VAT.

To start the registration process, the company would need to send a "start up notification" or a Y Form, Form 6204, and Form 6206. As a foreign company, it would also need to submit a foreign equal of a trade register extract, which would then need to be translated into Finnish or Swedish. To introduce the company to the Finnish tax administration, it would need to send "Articles of association, by-laws, partnership agreement or other similar regulations or a certified copy of the regulations in question and a Finnish or Swedish translation," (Finnish Tax Administration 2014). This would all be sent to one of the following: a local tax administration office, the national board of patents and registration, centre for economic development, transport, and the environment, or a local register office.

As a branch, a part of a foreign entity, the registration process would be a little different. To start the company would need to file a Y1 Start-up form and Trade Register appendix 3 before entering the country. As the company is from the US it would also need a permit from the Finnish Patent and Registration Office due to being outside of the European Economic Area (EEA). In addition, the company would need to provide some kind of evidence that the branch has been established, a valid registration from the original operating country of the company, and articles of association. These will need to be translated

into Finnish or Swedish. In addition to the paper work involved there is a 380-euro fee to pay, (Finnish Patent and Registration Office 2015).

According to the Value Added tax law (1501/1993) though, the company would not need to be registered for VAT if it were to sell less than 8,500 euros a year; if the company wanted to do minimal business in Finland, this would be a feasible option. This would mean VAT- free sales up to that level.

3.4.4 Royalties

According to the treaty signed by Finland and the US in 1989 and officially in force in January 1991, royalties will only be taxed in the state where the permanent establishment benefits from the income. In this case the royalties the Finnish subsidiary or branch would pay to the US would be taxed exclusively in the US (Tax Convention with the Republic of Finland article 12.)

3.4.5 Dividends

For foreign companies, the Finnish Daughter Company will have to withhold 15% of the dividends sent to the foreign US company headquarters. If the foreign company has at least 10% share ownership then the percent withheld for taxes is only 5% (Finnish Tax Authority 2016.) As Company X in Finland would be fully owned by Company X in the US, the dividends would have 5% taken by the Finnish government.

3.5 Interview with Visma Services Oy employees

To get a new perspective on how companies are treated in Finland, an interview was conducted with two employees from Visma Services Oy, a senior financial controller and a chief financial controller. To be able to compare answers from the different interviewees, some interview question were made to guide the discussion. Starting with the first question, what company form would minimize corporate tax consequences in Finland, to this the employees answered that it did not matter which company form was used because it would always be 20% corporate tax. They did mention that to have lower tax though, having a foreign parent company could possibly lower the dividend tax when sending dividends from the daughter company in Finland to the US.

Question 2 asked about tax benefits or discounts given to start- ups or SMEs, to this they responded none were available, but that the Finnish company Tekes offers funding for start-ups. Moving to PEs, according to them if a company has employees in Finland then the company will automatically be considered a PE.

Next I asked about the overall tax situation for companies in Finland and how they viewed the current situation. To this they answered that compared to other countries, income tax here was competitive amongst other European countries, but that the VAT rate and social contribution costs are high. Thus from a tax perspective Finland would not be a very good destination to start up a business.

Lastly, it was discussed how companies can use losses spanning back ten years to reduce taxable profits in the future, (Visma Accounting Services November 17 2016.)

3.6 Interview with former PricewaterhouseCoopers employee and entrepreneur M. Norrgran

After getting a perspective on taxes from an Accounting service (Visma), I thought it would be good to compare it to an interview from a former employee of an audit firm. M. Norrgran has worked at PwC, Nokia, and other large companies, in addition she has helped found start-ups and grow them into larger companies.

Following the same questions that were used in the Visma interview, I started with asking her about the company form that she thinks would be most beneficial to use to minimize taxes when entering Finland. In her opinion, entering as a limited liability company (Oy) would be the best way to minimize tax costs. While the company would need to pay corporate tax, it would be easier for this company form to pay out bigger salaries and dividends when the owners wanted to take a large share of the profit out of the company. In a partnership all the income will be taxed through the partners at a higher rate, leaving less to be reinvested back into the company.

Since she was not as familiar with PEs and what consisted of a PE or not, we moved on to how she saw the tax situation in Finland. I asked her about if she thought Finland was a country in which the tax situation would be conducive to a successful business. She concluded that in her opinion, the taxes were not that bad, especially for corporate income tax only being 20%. While tax-wise she would not discount Finland when potentially starting new businesses, she said that the country's attitude towards business would most likely turn her away from starting a business in Finland. She made a comment as well that if she were to start a new company again, she would probably take the idea to Sweden instead. She noted that while the tax situation there was worse, but that the business atmosphere and help offered was much better in Sweden.

Overall, the advice she gave when dealing with taxes in Finland would be to always be on top of new laws. Especially since they are constantly evolving in Finland and the tax authorities have no obligation to notify the company about changes. In addition, when possible get a “pre-decision” when it comes to anything that is unclear when dealing with taxes. This advice is due to seeing companies make losses because of changes in the law that led to unforeseen taxes having to be paid, (Norrgran 17 November 2016.)

3.7 Interview on Start-ups with a Successful Entrepreneur

The more I researched this topic, I was shown that I could not only rely on desktop resources to get a good idea of what start-ups in Finland go through. This is how I came to the conclusion that I needed to interview someone who had been in the start-up field for a while. As I have been asked not to share the name of the person, some background information will be provided. This person helped several start-ups to expand into the Finland and other Nordic countries. While his expertise is in marketing, he has dealt with a lot of taxes and finance decisions for many years. To begin, he described what kind of factors play into starting a company or expanding into another country. He mentioned the basics: due diligence, target group, and the market. These are the basis of any company, next he moved onto more relevant topics to this thesis. He mentioned how licensing fees and royalties are different in different countries. This fact made his start-ups more careful about what their next steps would be.

Onto labor costs, he talked about how since the Finnish labor costs are so high he considered doing part time or using foreign workers (not illegal) to offset the costs. He also mentioned using workers that were stationed in different countries, but due to technology they were able to contribute to the work without being physically present in Finland.

As for corporate taxes, he said it did affect if they were going to enter the country or not. While it was a major breaking point, if they felt there was enough demand to offset the cost then they would enter the country and just pay the tax. On the other hand, VAT taxes did not figure into their decision, he said that they did not take into account whether the tax rate was 24% or lower somewhere else. This cost was not a significant cause to deter them from entering Finland.

In the case I am studying, he recommended to start a limited liability company (Oy) if the market conditions seemed right. He also advised to look into how the daughter company can repatriate profit to the parent company without tax, that he has seen in some cases a certain amount can be sent without tax, (Entrepreneur X 1 November 2016.)

3.8 Interview critiques

While I am grateful for the interviews provided, they show how many people are not well informed on Finnish tax legislation for businesses. Even the ones who had previously started businesses and ones who pay the taxes were not as informed as I would have thought. While each interview provided some information on how they would try to minimize taxes, the information did not give a full picture of business taxes in Finland. I chose these interviewees because I wanted to get different perspectives on the tax situation in Finland, but overall I do not think that they provided as detailed information as I needed. Looking back, I think the interviews would have been more beneficial if I would have been able to get answers directly from the Tax administration or tax professionals in Finland.

4 Conclusions

Overall Company X has to make the decision if Finland will be profitable enough to enter into the market. It will have to take into consideration taxes, the market, and other variables. From this analysis we can see that Finland is a high tax country and that no matter how you enter, it will be difficult to avoid high taxation. Without a permanent establishment the company still pays employer taxes, VAT, and all the cost of being present in Finland such as: high rent costs, electricity, and water. While this may come across as undesirable, this entrance to the market offers a look into what the country has to offer without being fully operational. On the other hand, as a branch of a foreign corporation or as a daughter company, it would have to pay all the cost listed previously on top of another 20% corporate tax, but the company would then have access to sell their services in the Finland.

4.1 Recommendations

At this point I would recommend researching the Finnish market further to see if it is ready for the service being provided by the company. While entering without permanent establishment status would not include corporate tax, there is a higher cost of being present in Finland rather than in the US. If after doing research the market seems ready then I would recommend entering remotely first without setting up a permanent office and without hiring too many people in Finland. This would give the opportunity to enter Finland without as many costs while still in the beginning stages. As mentioned previously the company could use temporary employees that would only stay for fixed terms. These employees would give the company flexibility as to what the next step would be.

4.2 Trustworthiness and ethical viewpoints

Throughout this thesis researching and writing process, I have made it a point to be as accurate as possible; To do this, I have found the tax acts, treaties, and other reliable sources of information to quote and reference. While I may have opinions of my own, I have tried to stay objective while writing as to not sway people into only seeing one side of the tax situation in Finland, but representing both arguments of entering or not entering the country. I give my recommendations based on what I think would be beneficial for the company after doing research on what would likely make them the most successful in Finland. Thus, overall in my opinion I think this thesis has a high level of trustworthiness due to the reasons stated above.

4.3 Thesis process and own learning experience

This thesis process has been long, but worth it. Throughout the thesis-planning phase I did feel lost though, I would have liked more guidance on the topic during this time, but I was taking the course with teachers that did not have tax experience. I would have liked to have a session with people only from my specialization to discuss our topics more and to be able to be in contact with my specialization teachers earlier on. The overall process was well planned though, the way it was divided up and broken down allowed me to have enough time to think about a topic, make a plan, and then try to carry out that plan. Without a thesis plan I think I would have been even more lost. I am thankful for the thesis planning course, which gave me the opportunity to think about what I would research about before having to really dive into the real research and writing. In general, I wish I had followed the process set out by our instructors more strictly, but overall I was able to finish well.

For my own learning experience, I have been able to find concrete and relevant information on taxes touching branches and limited liability companies in Finland, which is a subject that I am interested in. This thesis allowed me to also find information resources that I would have never found otherwise. These sources will help me in the future if I stay and start a business in Finland or even if I decided to move abroad. In addition, this topic has allowed me to come in contact with many professionals that have given me insight into multiple possible careers I would like to have. To conclude, I have learned a vast amount of information in a relatively short period and I think I am coming out of this thesis experience with a better understanding of Finnish company taxes and how Finland works in general.

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